

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)	
FILING OF WESTERN LEWIS-)	CASE NO. 2007-00229
RECTORVILLE WATER AND GAS DISTRICT)	

ORDER

On May 12, 1993, in Case No. 1992-00331, the Commission approved rates for Western Lewis-Rectorville Water and Gas District ("Western Lewis") and provided for their further adjustment in accordance with Western Lewis's gas cost adjustment ("GCA") clause.¹

On June 11, 2007, Western Lewis filed its proposed GCA to be effective July 1, 2007. Western Lewis requests a waiver of the 30-day notice period in order to incorporate a recent price change from its supplier. As KRS 278.180 permits the Commission to shorten the required notice period for good cause, the Commission finds the request should be granted.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Western Lewis's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

¹ Case No. 1992-00331, The Application of Western Lewis-Rectorville for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities.

2. Western Lewis's notice sets out an expected gas cost ("EGC") of \$10.3436 per Mcf, which is an increase of 55.19 cents per Mcf from its prior EGC of \$9.7917.

3. Western Lewis's notice sets out no refund adjustment.

4. Western Lewis's notice sets out a current quarter actual adjustment ("AA") of (71) cents per Mcf. Western Lewis incorrectly adjusted for line loss in its calculation. Correcting for this error results in a current quarter AA of (\$1.7093) per Mcf. Western Lewis's total AA is (\$2.3359) per Mcf, which is an increase of 8.23 cents per Mcf from its previous total AA.

5. Western Lewis's notice sets out a current quarter balance adjustment ("BA") of (12.58) cents per Mcf. Western Lewis's notice sets out a total BA of (32.62) cents per Mcf, which is a decrease of 11.69 cents per Mcf from its previous total BA.

6. Western Lewis's gas cost recovery rate ("GCR") is \$7.6815 per Mcf, which is an increase of 51.73 cents per Mcf from its previous rate of \$7.1642.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Western Lewis on and after July 1, 2007.

IT IS THEREFORE ORDERED that:

1. Western Lewis's request to shorten the period in which it must provide notice of the proposed adjustment from 30 days to 20 days is granted.

2. Western Lewis's proposed rates are denied.

3. The rates in the Appendix to this Order are approved for billing for service rendered on and after July 1, 2007.

4. Within 20 days of the date of this Order, Western Lewis shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 22nd day of June , 2007.

By the Commission

ATTEST:


Executive Director

